

## **Statement on the UK's Modern Slavery Act**

Toray Group is issuing this statement, which describes the efforts of Toray Group in fiscal 2023 to prevent slave labor and human trafficking in its business and supply chain, pursuant to Article 54 of the UK Modern Slavery Act.

### **1. Toray Group organization and business areas**

Toray Group global operations include those relating to textiles, functional chemicals, carbon fiber composite materials, environment and engineering, and life sciences. As of March 31, 2024, the number of affiliated companies is 306 (112 in Japan and 194 overseas), and the number of employees is 48,140 (17,427 in Japan and 30,713 overseas).

For details on the organization and business areas of Toray Group, visit the Toray Industries website.

Website of Toray Industries, Inc.

<https://www.toray.com>

### **2. Toray Group policy regarding prevention of slave labor and human trafficking**

#### **(1) Toray Philosophy**

Toray Industries, Inc. was established in 1926, based on the principle of “realizing that corporations are public institutions of society and contributing to society through our business.” Ever since, Toray Group has sought to earn the respect of society. The Group has organized its principles including the corporate philosophy of “contributing to society through the creation of new value with innovative ideas, technologies and products” in the form of the Toray Philosophy.

Toray Philosophy

<https://www.toray.com/aboutus/philosophy.html>

In the Toray Philosophy, the Corporate Guiding Principles include: “Ethics and Fairness: Acting with fairness, high ethical standards and a strong sense of responsibility while complying with laws, regulations and social norms to earn trust and meet social expectations” and “Respect for Human Rights: Fulfilling our

responsibility to respect human rights as a good corporate citizen.” The Group has also established the Ethics & Compliance Code of Conduct and the Toray Group Policy for Human Rights as guidelines for those issues.

#### A. Ethics & Compliance Code of Conduct

Toray Group believes that respect for human rights is an essential management pillar in order to conduct business activities while building good relationships with all stakeholders. Based on this recognition, the Ethics & Compliance Code of Conduct includes items related to human rights compliance: “respecting the character and individuality of employees,” “preventing harassment and discrimination,” and “respecting the human rights of all stakeholders.” This is an important compliance rule that all officers and employees of Toray Group must follow.

Ethics & Compliance Code of Conduct

<https://www.toray.com/sustainability/activity/compliance/culture.html>

#### B. Toray Group Policy for Human Rights

Toray Group has established the Toray Group Policy for Human Rights in order to clarify its stance on respect for human rights.

As part of this policy, the Group declares that it respects international norms such as the UN Universal Declaration of Human Rights and the ILO Conventions, and it strives to fulfill its responsibility to respect human rights as a good corporate citizen. It declares that it will not engage in child labor, forced labor, or unfair low-wage labor, and that it will strive to promote respect for human rights throughout the business supply chain. The Group will not participate in human rights violations.

Toray Group Policy for Human Rights

<https://www.toray.com/global/sustainability/activity/personnel/>

## **(2) Toray Group Corporate Social Responsibility (CSR) Policy**

Toray Group embodies its corporate philosophy by integrating its business strategy and CSR activities to help solve social issues through business activities. To

promote CSR activities, the Group has established CSR Guidelines and Toray Group CSR Procurement Policies.

#### A. CSR Guidelines

Toray Group promotes systematic CSR activities based on its CSR Guidelines including two items: Human Rights Promotion and Human Resource Development, and Establishing Sustainable Supply Chain. A medium-term CSR activity plan, the CSR Roadmap, is created and implemented based on the CSR Guidelines.

##### CSR Guidelines

<https://www.toray.com/global/sustainability/activity/>

##### CSR Roadmap 2025

[https://www.toray.com/global/sustainability/stance/pdf/csrroadmap\\_2025.pdf](https://www.toray.com/global/sustainability/stance/pdf/csrroadmap_2025.pdf)

#### B. Toray Group CSR Procurement Policies

Toray Group is promoting CSR procurement by focusing on issues to be addressed together with its supply chain. While the Toray Group CSR Procurement Policies specify the Group's commitment to building a supply chain that incorporates human rights considerations, the Toray Group CSR Procurement Guidelines provide specific and detailed guidelines for action requirements. Accordingly, Toray Group suppliers are required to respect human rights, while preventing forced labor, slave labor, child labor, and unfair low-wage labor.

##### Toray Group CSR Procurement Policies

##### Toray Group CSR Procurement Guidelines

[https://www.toray.com/global/sustainability/activity/supply\\_chain/](https://www.toray.com/global/sustainability/activity/supply_chain/)

### **3. Toray Group due diligence initiatives to prevent slave labor and human trafficking**

#### **(1) Identifying and minimizing human rights risks in Toray Group**

Toray Group has established the Human Rights Promotion Committee in Japan and the Global Human Rights Promotion Committee under the Ethics and

Compliance Committee chaired by the president of Toray Industries, Inc. By expanding the human rights promotion activities of both committees to each Toray Industries business site and factory, as well as to affiliated companies in Japan and overseas, the Group is striving to create a positive and supportive environment in all its workplaces.

In addition, Toray Industries, Inc. conducts annual surveys on human rights promotion activities, including awareness raising and education, at each business site, factory, and major affiliated company. The survey results are reported to the Human Rights Promotion Committee in Japan and the Global Human Rights Promotion Committee. After identifying any issues, problems, and concerns regarding human rights, improvement measures are investigated and implemented.

Furthermore, as part of an effort to minimize risks and detect problems early, a dedicated hotline system which includes the Corporate Ethics and Legal Compliance Helpline, has been established that allows employees to report and discuss any human rights issues within Toray Group. Once a human rights complaint has been made, the hotline and the department in charge of the investigation work together to address the complaint. The facts are investigated with complete discretion to protect against any risk of negative impact on the individual reporting to or consulting with the hotline. If a problem is found, corrective guidance is provided to the department concerned, and appropriate measures are promptly taken. Toray Group has set up a hotline that enables anyone concerned to report and consult on human rights issues in the Group's supply chain. The hotline takes action in response to information received.

In addition, Toray Group has organized information concerning the Ethics & Compliance Code of Conduct and the Corporate Ethics and Legal Compliance Helpline to ensure a thorough understanding among all Toray Group officers and employees, including those at affiliates companies worldwide. Further, in fiscal 2023, human rights awareness brochures were distributed to all officers and employees at Toray Industries, Inc. and its affiliate companies in Japan. Human rights workshops were also held at each company, and online training was carried out to further understanding of the Ethics & Compliance Code of Conduct and the Toray Group whistle-blowing system. In this way, the Group has worked to foster a workplace culture that respects the dignity of others. For affiliated companies outside Japan, the Group provided educational materials to facilitate compliance training tailored to the conditions of each country or region.

## **(2) CSR procurement activities in Toray Group including respect for human rights**

Toray Group is working to strengthen CSR activities in its worldwide supply chain. Specifically, a CSR Procurement Working Group was established at Toray Industries, Inc. to ascertain the status of CSR initiatives at suppliers and to support the promotion of CSR procurement at affiliated companies. Meanwhile, the Risk Management Committee oversees risk management for the entire Group. It regularly reports on the status of CSR procurement and risk reduction activities group-wide, shares information, and deliberates on necessary response measures.

Toray Group has established a number of policies such as the Toray Group Policy for Human Rights and CSR Procurement Policies and has taken a number of measures to identify human rights risks in the supply chain, including periodic implementation and evaluation of CSR procurement questionnaires sent to major suppliers. When problems are identified, the Group requests suppliers to make improvements and follows up regularly on improvements made through visits and other means, disclosing the results of these procedures on its website. In this way, the Group is working with suppliers to advance initiatives promoting respect for human rights in accordance with the process set forth in the Due Diligence Guidance for Responsible Business Conduct issued by the Organisation for Economic Co-operation and Development (OECD).

Toray Industries, Inc. sends CSR procurement questionnaires to major suppliers every two years in principle, and comprehensively checks the status of CSR initiatives, including responses to human rights issues. In fiscal 2022, 448 companies responded to the questionnaires sent, and the results revealed that 99% of the companies had achieved the CSR compliance level required by Toray Industries, Inc. In fiscal 2023, the Company followed up with six suppliers for whom further investigation was deemed necessary in the fiscal 2022 survey due to their failure to meet the required CSR compliance level. Further investigation involved verifying conditions on the ground and discussing measures for improvement. As a result, the Company confirmed the implementation of a variety of improvements at the suppliers in question, including “formulation of internal rules on ethics and compliance and incorporation of these rules in employment regulations” and “implementation of in-house training on human rights and labor issues.” Toray Industries also presents major suppliers with the Toray Group CSR Procurement Guidelines, requesting their understanding of and compliance with these

guidelines. The guidelines were presented to 476 suppliers in fiscal 2022 and to 26 suppliers in fiscal 2023 (for a total of 502 suppliers as of March 31, 2024). By the end of March 2024, 379 suppliers have signed letters of consent with regard to these guidelines, further strengthening CSR promotion throughout the supply chain.

Each affiliated company in Japan is continuously working to improve its internal systems and rules for CSR procurement, and sends CSR procurement questionnaires to suppliers. In fiscal 2023, these companies sent CSR procurement questionnaires to major suppliers, receiving responses from 851 suppliers. The questionnaires are used to confirm progress on CSR at suppliers, as well as to provide feedback on ratings results to suppliers. Affiliated companies are proceeding with investigations and requests for improvement of suppliers identified as requiring further investigation. Affiliated companies also present major suppliers with the Toray Group CSR Procurement Guidelines, requesting their understanding of and compliance with these guidelines. The guidelines were presented to 1,539 suppliers in fiscal 2022 and to 14 suppliers in fiscal 2023 (for a total of 1,553 suppliers as of March 31, 2024). By the end of March 2024, a total of 1,319 suppliers, excluding 57 suppliers with which no future transactions are anticipated, have signed letters of consent with regard to these guidelines.

Each affiliated company outside Japan also asks its major suppliers to promote CSR initiatives. As part of the support provided, Toray Industries, Inc. sends CSR procurement questionnaires to suppliers that have not yet been requested to implement CSR initiatives and to suppliers whose CSR efforts have not yet been confirmed. Affiliated companies overseas also present major suppliers with the Toray Group CSR Procurement Guidelines, requesting their understanding of and compliance with these guidelines. The guidelines were presented to 2,212 suppliers in fiscal 2022 and to 129 suppliers in fiscal 2023 (for a total of 2,341 suppliers as of March 31, 2024). By the end of March 2024, a total of 1,542 suppliers, excluding 121 suppliers with which no future transactions are anticipated, have signed letters of consent with regard to these guidelines.

Moreover, Toray Group is also working to promote the concept of CSR procurement throughout the Group. In fiscal 2023, Toray Industries, Inc. hosted a webinar on the subject and invited an outside consultant familiar with CSR procurement to speak to 259 Group employees, including those in charge of procurement, on the significance of CSR procurement and due diligence to deepen

employee understanding of the topic.

#### **4. Going forward**

Toray Group will continue to promote human rights, including the prevention of slave labor and human trafficking throughout the Group and its supply chain, in accordance with the Ethics & Compliance Code of Conduct, the Toray Group Policy for Human Rights, the CSR Guidelines, and the Toray Group CSR Procurement Policies. The Group will continue striving to improve awareness of human rights issues by providing human rights training for officers and employees, as well as via questionnaires and requests for CSR measures given to suppliers.

This statement was approved by the Board of Directors on September 27, 2024.

A handwritten signature in black ink, appearing to read "Mitsuo Ohya". The signature is fluid and cursive, written in a professional style.

Mitsuo Ohya  
President, Toray Industries, Inc.  
September 30, 2024